



**FINANCIAL AID SERVICES, INC.**



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**IMPORTANT DATES:**

*September 5 – Labor Day*

DJA Closed

*September 8*



*September 10*

Corrections Deadline for  
21/22 ISIRS

*September 14*

DJA Webinar  
Cash Management  
11:00 a.m. CDT

*September 17*

Constitution Day

*September 30*

Deadline to Post 21/22  
Pell Disbursements

*September 30*

FISAP Submission  
Deadline

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## SEPTEMBER 2022 NEWSLETTER

*September is a critical month as the deadline for 21/22 FAFSA Corrections looms, in addition 21/22 Pell disbursements must be requested and posted to COD by September 30<sup>th</sup>. It is also the last month to prepare to submit the FISAP as it is due on the 30<sup>th</sup> as well. We have provided an overview of these processing deadlines, as well as guidance issued by the Department in regards to the FISAP. If you are a DJA client, be assured our team is on top of ensuring your institutions are on target to meet each deadline.*

*This month's newsletter covers everything from recent announcements on President Biden's loan cancellation plan and the continued pause on federal student loan payments, as well as a variety of topics affecting our financial aid sector. Lastly, we review the changes made to the Safeguard Rule under the Gramm Leach Bliley Act and the pending requirements that are effective this December 9, 2022.*

*We hope each of you enjoy your Labor Day weekend and have the opportunity to unwind, relax and enjoy the company of family and friends.*

*Thank you and until next time, stay safe!*

*Deborah John, President*

### **IN THE NEWS: PRESIDENT BIDEN ANNOUNCES STUDENT LOAN CANCELLATION AND FURTHER EXTENDS THE REPAYMENT SUSPENSION**

During President Biden's presidential campaign, he promised to provide student relief debt. On August 24, 2022, he announced a three-prong approach to accomplish that promise.

The President shared that the Department of Education will:



- Provide targeted debt relief to address the financial harms of the pandemic, fulfilling the President’s campaign commitment. The Department of Education will provide up to \$20,000 in debt cancellation to Pell Grant recipients with loans held by the Department of Education, and up to \$10,000 in debt cancellation to non-Pell Grant recipients. Borrowers are eligible for this relief if their individual income is less than \$125,000 (\$250,000 for married couples). No high-income individual or high-income household – in the top 5% of incomes – will benefit from this action. To ensure a smooth transition to repayment and prevent unnecessary defaults, the pause on federal student loan repayment will be extended one final time through December 31, 2022. Borrowers should expect to resume payment in January 2023.
- Make the student loan system more manageable for current and future borrowers by:
  - Cutting monthly payments in half for undergraduate loans. The Department of Education is proposing a new income-driven repayment plan that protects more low-income borrowers from making any payments and caps monthly payments for undergraduate loans at 5% of a borrower’s discretionary income—half of the rate that borrowers must pay now under most existing plans. This means that the average annual student loan payment will be lowered by more than \$1,000 for both current and future borrowers.
  - Fixing the broken Public Service Loan Forgiveness (PSLF) program by proposing a rule that borrowers who have worked at a nonprofit, in the military, or in federal, state, tribal, or local government, receive appropriate credit toward loan forgiveness. These improvements will build on temporary changes the Department of Education has already made to PSLF, under which more than 175,000 public servants have already had more than \$10 billion in loan forgiveness approved.
- Protect future students and taxpayers by reducing the cost of college and holding schools accountable when they hike up prices. The President championed the largest increase to Pell Grants in over a decade and one of the largest one-time influxes to colleges and universities. To further reduce the cost of college, the President will continue to fight to double the maximum Pell Grant and make community college free. Meanwhile, colleges have an obligation to keep prices reasonable and ensure borrowers get value for their investments, not debt they cannot afford. This Administration has already taken key steps to strengthen accountability, including in areas where the previous Administration weakened rules. The Department of Education is announcing new efforts to ensure student borrowers get value for their college costs.

Thanks to the American Rescue Plan, this debt relief will not be treated as taxable income for the federal income tax purposes.

To help ensure a smooth transition back to repayment, the Department of Education is extending the student loan pause a final time through **December 31, 2022.**

More information on claiming relief will be available to borrowers in the coming weeks.

Borrowers can sign up to be notified when this information is available at [StudentAid.gov/debtrelief](https://StudentAid.gov/debtrelief).

**This is a VERY brief summary. For the entire fact sheet released by the White House, you may visit the briefing here: [FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most - The White House](#)**

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## **FRESH START INITIATIVE: FEDERAL STUDENT AID ELIGIBILITY FOR BORROWERS WITH DEFAULTED LOANS**

On August 17, 2022, a Dear Colleague was published in regards to Federal Student Aid Eligibility for Borrowers with Defaulted Loans. The DCL expands on the previous USDE [announcement](#) on April 6, 2022, that it would eliminate the negative effects of default for borrowers who defaulted on their federal student loans prior to the pandemic payment pause. Among other features, this initiative, called “Fresh Start,” will enable borrowers with defaulted federal student loans to regain *Title IV HEA* federal student aid eligibility, including Federal Pell Grants and campus-based aid like Federal Work-Study.

The DCL clarifies the guidance shared in this recent announcement applies only when awarding aid to borrowers who are currently ineligible based solely on a prior *Title IV* loan default, and who qualify to have their eligibility restored through the Fresh Start initiative or in accordance with DCL [GEN 21-03](#). Students who are ineligible for any other reason (e.g., failing to meet satisfactory academic progress standards, owing an overpayment on a *Title IV* grant, or being in default on a Perkins Loan that is held by a school) are not eligible to receive *Title IV* aid unless the eligibility issue is resolved. A school's failure to comply with the guidance in this letter may result in a determination that the school has awarded *Title IV* aid to an ineligible student.

### **Borrowers Who Defaulted Before March 13, 2020**

The Fresh Start initiative restores *Title IV* aid eligibility for borrowers with loans in the following categories that defaulted prior to the start of the student loan repayment pause on March 13, 2020:

- William D. Ford Federal Direct Loan Program loans (Direct Loans);
- Federal Family Education Loan (FFEL) Program loans, including Federal Insured Student Loans (FISL); and
- Federal Perkins Loans (Perkins Loans) that are serviced by the Department's Debt Management and Collections System (DMCS).

The Fresh Start initiative requires that a school receiving an *Institutional Student Information Record (ISIR)* showing that a student has one or more of the loan types listed above that defaulted before March 13, 2020, may award *Title IV* aid to the student in accordance with all normal student and program eligibility requirements provided that the school:

- Maintains in the student's file a screenshot of the National Student Loan Data System (NSLDS®) loan detail information showing that the default date (see below) for the loan was prior to March 13, 2020.



The school must retain this documentation for three years after the end of the award year in which the student last attended the school.

**For Direct Loans**, the default date is the most recent "Start" date for transfer of the loan to DMCS as shown under "Guaranty Agency/Lender/Service Agent History" in the "Loan Detail" section.

**For FFEL Program loans**, the default date is the most recent "Insurance Claim Payment" date with a "Reason Code" of DF or DU shown under "Claim Details for Loan" in the "Loan Detail" section.

**For Perkins Loans**, the default date is the most recent "Start" date for transfer of the loan to DMCS as shown under "Guaranty Agency/Lender/Service Agent History" in the "Loan Detail" section.

- Retains in the student's file a signed and dated acknowledgment (see below) from the student or parent (parent acknowledgment will only be required if applying for a Direct PLUS loan for parents) of participation in the Fresh Start initiative that must contain the following language:

*"I, [full name], understand that I am eligible for Title IV aid as a result of the Fresh Start initiative. As a Fresh Start-eligible borrower, I understand that, by accepting Title IV HEA federal student aid during the Fresh Start period, I am agreeing to have my defaulted loans transferred to a new loan servicer – the company that will manage my loan - which will result in continued Title IV, HEA federal student aid eligibility beyond the Fresh Start period. I understand that this transfer may not occur immediately and that I can contact the holder(s) of my defaulted loan(s) to request transfer sooner."*

The school must retain this acknowledgment for three years after the end of the award year in which the student last attended the school. Once new aid is disbursed to borrowers who qualify under the Fresh Start initiative, the Department will automatically initiate a transfer of the borrowers' defaulted loans to a non-default loan servicer. This transfer will remove the default status of the loans and allow the borrowers to remain eligible to receive *Title IV* aid beyond the Fresh Start period.

Schools may award and disburse *Title IV* aid to a student who would otherwise be ineligible due to a prior default only during the Fresh Start eligibility period.

If a school receives an ISIR after the end of the Fresh Start eligibility period showing that a student is in default on a *Title IV* loan (including a student who previously received aid through the Fresh Start initiative), the student may not receive *Title IV* aid unless the student first resolves the default by repaying the defaulted loan in full, making satisfactory repayment arrangements on the loan, rehabilitating the loan, or consolidating the loan.

### **Borrowers Who Defaulted On or After March 13, 2020**

The guidance provided above applies when awarding aid to students who defaulted on loans prior to the start of the student loan repayment pause (March 13, 2020) and who qualify for *Title IV* aid under the Fresh Start initiative. When awarding aid to students who defaulted on or after the start of the payment pause (and prior to the payment pause end date), which are primarily FFEL loan borrowers, different guidance applies.



Defaulted FFEL Program loans held by guaranty agencies that are not subject to an active bankruptcy filing are in "Population 2" as described in DCL [GEN 21-03](#). As explained in that DCL, loans in Population 2 will be assigned to the Department and are immediately eligible for *Title IV* aid. However, many of these loans have not yet been assigned to the Department and will continue to show a default status in NSLDS while they remain with the guaranty agency.

Students who are otherwise eligible and who have defaulted FFEL Program loans in Population 2 are eligible to receive *Title IV* aid effective March 12, 2021 (the publication date of DCL [GEN 21-03](#)). A school that receives an ISIR showing that a student has a defaulted loan in Population 2 may award *Title IV* aid to the student in accordance with all normal student and program eligibility requirements provided that the school maintains in the student's file a screenshot of the NSLDS loan detail information showing that the default date was on or after March 13, 2020. The school must retain this documentation for three years after the end of the award year in which the student last attended the school. In these circumstances, the default date determination method is the same as described in the guidance above for students with FFEL Program loans that defaulted prior to March 13, 2020.

Because loans in Population 2 will be automatically assigned to the Department for servicing by a new servicer at a later date, there is no requirement for the student to sign an acknowledgment that the loan will be transferred.

For the complete DCL, visit: [Federal Student Aid Eligibility for Borrowers with Defaulted Loans | Knowledge Center](#).

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## **ADMINISTRATIVE COST ALLOWANCE PAYMENTS FOR 20/21 and 21/22**

The Federal Pell Grant (Pell Grant) regulations at 34 CFR 690.10 provide for an Administrative Cost Allowance (ACA) payment of \$5.00 to each participating school for each student who receives a Pell Grant at that school for an award year. These funds may be used only to defray the costs of administering the Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Perkins Loan programs.

ACA payment amounts are not included in a school's Current Funding Level (CFL) but are direct payments made to a school based on its unduplicated student recipient information. A school's total number of Pell Grant unduplicated recipients, used in the calculation of the ACA payment, includes students with at least one reported and accepted actual disbursement (Disbursement Release Indicator or DRI value equal to "true") in the Common Origination and Disbursement (COD) System. A student will be included in the calculation even if there is a full recovery of the entire Pell Grant award.

A school's total unduplicated recipient count *excludes* the following students:

- Those who have been determined ineligible for a Pell Grant or rejected by the Central Processing System
- Those for whom origination records were accepted in the COD System but for whom accepted actual disbursements (Disbursement Release Indicator or DRI value equal to “true”) have not been received
- Those for whom all actual disbursements have been rejected

### **Third and Final Pell Grant Administrative Cost Allowance Payments for 2020-21 Award Year**

The third and final ACA payment for the 2020–21 award year is based on records that the COD System has processed from the date we processed the second ACA payments for the 2020–21 award year (Aug. 20, 2021) up to the date that we process the third and final ACA payments for the 2020–21 award year. We began processing the third and final ACA payments for all schools on Aug. 17, 2022.

A school’s calculated Pell Grant ACA payment will be posted in G5 as an Available Balance in the school’s ACA G5 Award Number, P063Q20####. Once posted, **a school must sign in to the G5 website and process a drawdown transaction in G5 to receive the funds.**

ACA payment amount notifications will be sent to reporting schools. Specifically, we will send an Electronic Statement of Account (ESOA) (Message Class PGAS20OP) that reflects the ACA payment amount to the reporting school’s Student Aid Internet Gateway (SAIG) mailbox. Additionally, the ACA payment amount and other ACA-related information will be displayed on the [COD website's](#) School Funding Information screen. This information is as follows:

- **“Total Unduplicated Recipients” Field** – Count of unduplicated recipients for the 2020–21 award year for the school
- **“Total Unduplicated Recipients Paid” Field** – Count of unduplicated recipients for the 2020–21 award year for whom ACA has been paid
- **“Total ACA” Field** – Dollar amount paid to the school to date for the 2020–21 award year
- **“Last ACA Payment Date” Field** – Most current date for which an ACA payment was made for the 2020–21 award year
- **“ACA Payment History” Link** – “Number of Recipients,” “Date ACA Paid” and “Amount” for the first, second, and third/final ACA payments for the award year

### **Second Pell Grant Administrative Cost Allowance Payments for 2021-22 Award Year**

The second ACA payment for the 2021–22 award year is based on records that the COD System has processed from the date we processed the first ACA payments for the 2021–22 award year (February 23, 2022) up to the date that we process the second ACA payments for the 2021–22 award year. We began processing the second ACA payments for all schools on Aug. 17, 2022.

A school’s calculated Pell Grant ACA payment will be posted in G5 as an Available Balance in the school’s ACA G5 Award Number, P063Q21####. Once posted, **a school must sign in to the G5 website and process a drawdown transaction in G5 to receive the funds.**

ACA payment amount notifications will be sent to reporting schools. Specifically, we will send an Electronic Statement of Account (ESOA) (Message Class PGAS21OP) that reflects the ACA payment amount to the reporting school's Student Aid Internet Gateway (SAIG) mailbox. Additionally, an ACA payment amount and other ACA-related information will be displayed on the [COD website's](#) School Funding Information screen. This information is as follows:

- **“Total Unduplicated Recipients” Field** – Count of unduplicated recipients for the 2021–22 award year for the school
- **“Total Unduplicated Recipients Paid” Field** – Count of unduplicated recipients for the 2021–22 award year for whom ACA has been paid
- **“Total ACA” Field** – Dollar amount paid to the school to date for the 2021–22 award year
- **“Last ACA Payment Date” Field** – Most current date for which an ACA payment was made for the 2021–22 award year
- **“ACA Payment History” Link** – “Number of Recipients,” “Date ACA Paid” and “Amount” for the first and second ACA payments for the award year

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2022-08-22/third-and-final-pell-grant-administrative-cost-allowance-payments-2020-21-award-year>

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2022-08-22/second-pell-grant-administrative-cost-allowance-payments-2021-22-award-year>

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## 2022-23 SUPPLEMENTAL CAMPUS- BASED FUNDS

In a recent Electronic Announcement, FSA explains how 2022–23 supplemental award funds for each of the Campus-Based programs will be distributed and how schools will be notified of supplemental awards. Other than funds distributed through the supplemental process described in this announcement, it is not anticipated that any additional Campus-Based funds will become available for the 2022–23 award year.

The U.S. Department of Education uses information collected on the Campus-Based Reallocation Forms (that were due Monday, Aug. 15, 2022) to reallocate unexpended Federal Supplemental Educational Opportunity Grant (FSEOG) and the Federal Work-Study (FWS) program funds from the previous award year as supplemental allocations for the current award year. (See a [July 13, 2022 Electronic Announcement](#) for more information about the reallocation form and process.)

### Distribution of Supplemental Campus-Based Funds

Supplemental Campus-Based funds are distributed in accordance with section 413D(d) for FSEOG and section 442(d) for FWS of the *Higher Education Act of 1965*, as amended, and the regulations at 34 CFR 673.4.

While the Department intends to award supplemental funds as described, if there is a FEMA-declared disaster that impacts schools during the summer, funds may be awarded to those schools to assist students impacted by



the disaster. Should that occur, a subsequent Electronic Announcement will be posted that will supersede the information below.

## **FSEOG**

Available FSEOG funds are reallocated to schools that show a shortfall in their fair share calculation (final funding worksheet for FSEOG, line 25). The allocation is distributed using the same formula as final awards. Depending on the funding available, supplemental FSEOG awards may be very small and not all schools may receive supplemental FSEOG funds.

## **FWS**

100% of the available FWS funds will be awarded to schools that (1) have a 2022–23 fair share shortfall (final funding worksheet for FWS, line 28); and (2) requested a supplemental 2022–23 FWS allocation on line 5 of the Campus-Based Reallocation Form.

## **School Notification**

Schools will be notified by email by the end of September 2022, if they received supplemental Campus-Based funds. This email is sent to the Financial Aid Administrator identified on the most recently submitted FISAP, or as updated on the "Demographics" page on the [COD website](#).

In the email, schools will be referred to their Campus-Based Statement of Account which will reflect the supplemental award amount for each program.

To access the Statement of Account, schools should follow these steps:

1. Log in to the [COD website](#)
2. From the School tab, select the "Campus-Based System" link from the left navigation menu.
3. Select "Self-Service," then "Notifications" from the left navigation menu.

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2022-08-25/2022-23-supplemental-campus-based-funds>

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## **NSLDS PROFESSIONAL ACCESS UPDATES**

The modernized National Student Loan Data System (NSLDS) Professional Access website became available for Federal Student Aid (FSA's) professional users on July 25, 2022. Since its release, FSA has released several updates throughout the month of August regarding the NSLDS Enrollment Functionality. As of August 15<sup>th</sup>, all batch enrollment files that were received from schools since July 19<sup>th</sup> were all sent Error Acknowledgments related to those files to schools. Additionally, all outstanding July and August Rosters were



sent to schools as well. If a school is still waiting to receive acknowledgement of a batch enrollment file, contact the NSLDS Customer Support Center so they may research the situation.

The initiative has been referred to as a modernization of the NSLDS Professional Access website; however, it was in fact a complete transition and overhaul of underlying system platform and architecture as well as the implementation of a brand-new contact center to support daily operations and customer service. As of the August 19<sup>th</sup> announcement, all customer service tickets under the former contact center that were in an Open status when the transition occurred have been re-opened in the new system and acknowledged to customers. Please inform the NSLDS Customer Support Center of any outstanding tickets that have not yet been acknowledged.

- **Batch Enrollment Files-** Schools can now submit batch enrollment files, upload Enrollment Spreadsheet Submittals, and perform online enrollment reporting updates via Enrollment Maintenance on the NSLDS Professional Access website.
- **NSLDS Enrollment Reporting** – Although progress is being made with identifying and resolving issues related to enrollment reporting, FSA has announced they will not begin disseminating September Enrollment Rosters as scheduled on September 1<sup>st</sup>, as anticipated.
- **NSLDS Post screening** – Progress also continues to be made with identifying and resolving issues related to post screening; however, the weekly postscreening cadence will not be resumed by the end of this week, Sept. 2, as anticipated.

FSA recognizes that the issues with NSLDS Professional Access since July have significantly affected a school's ability to adhere to institutional enrollment reporting requirements—especially at this time of the school year. Without diminishing the importance of accurate and timely reporting of students' enrollment status information to NSLDS, the suspension of all NSLDS enrollment reporting compliance notifications will be continued. Schools, school servicers, and enrollment providers should retain a copy of this Electronic Announcement (dated 08/31/22 linked below) as documentation for audit purposes.

Please continue to monitor Knowledge Center for updated information about NSLDS Professional Access.

Electronic Announcements:

[July 25, 2022](#), [Aug. 3, 2022](#), [Aug. 8, 2022](#), [Aug. 11, 2022](#), [Aug. 15, 2022](#), [Aug. 19, 2022](#), [Aug. 25, 2022](#), and [Aug. 31, 2022](#).

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### **REMINDER FISAP DUE SEPTEMBER 30, 2022**

The Department released in an Electronic Announcement on August 30, 2022 a reminder of the upcoming deadline for submitting the Fiscal Operations Report for 2021–22 and the Application to Participate for 2023-24

(FISAP) for the Campus-Based Programs. As announced in the "[2022–23 Award Year Deadline Dates for Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant Programs \(Updated Feb. 11, 2022\)](#)" published in the *Federal Register* on Jan. 31, 2022 (87 FR 4871), the date by which a school must submit the FISAP and the required signature is **Friday, Sept. 30, 2022**.

All schools requesting Federal Supplemental Educational Opportunity Grant (FSEOG) or Federal Work-Study (FWS) program funds for the 2023–24 award year and/or that had FSEOG or FWS expenditures or Federal Perkins Loan (Perkins Loan) activity for the 2021–22 award year are required to electronically submit a FISAP via the [Common Origination and Disbursement \(COD\) website](#). Schools that closed during the 2021–22 award year are required to complete and submit a final FISAP to report any 2021–22 Campus-Based expenditures.

The [COD website](#) allows a school to complete and submit its FISAP online, receive real-time validation edits, and access prior-year data to assist in completing the FISAP. Schools should review all validation edits and ensure accuracy of the information reported. For information about accessing the FISAP on the [COD website](#) and to review important reporting reminders and supplemental instructions related to the *CARES Act*, refer to the [Aug. 1, 2022 Electronic Announcement announcing that the 2023–24 FISAP is available](#).

The deadline for electronic submission of the FISAP is 11:59 p.m. Eastern time (ET) on Sept. 30, 2022. Transmissions must be completed prior to midnight. Additionally, the signature page must be printed, signed, and mailed by the Sept. 30, 2022, deadline. Signature requirements and instructions can be found in the [2023–24 FISAP Instructions](#).

IMPORTANT: As explained in a July 25, 2022 Electronic Announcement titled "[New Address Information for COD School Relations Center Effective July 27, 2022](#)," the new address for mailing signature pages is:

U.S. Department of Education  
4050 Legato Road, #1100  
Fairfax, VA 22033

### FISAP Reminders

- **Click "Submit"** – Remember that **saving** data into the FISAP online is **not** the same as **submitting** the FISAP. Data can be entered and saved as a school user works through the form, but it is not actually submitted until the school user clicks on "**Submit**."
- **Consequences for Not Filing the FISAP** – 2021–22 Campus-Based funding levels will be reduced to zero (\$0) for a school that received 2021–22 Campus-Based funds but fails to file the FISAP by the deadline. This includes schools that closed during the 2021–22 year and drew Campus-Based funds for that year from G5. Any 2021–22 program funds that have been drawn down in G5 will be required to be returned to the Department of Education (the Department). Campus-Based funds for the 2023–24 award year will not be awarded to schools that fail to file the FISAP.

Schools must provide true and accurate data and **must not roll forward data previously reported on last year's FISAP just to meet the deadline**.



**Note:** Failing to accurately and timely file the FISAP may result in referral to the FSA Partner Eligibility and Oversight Services Division for further review and action. These actions may include fines, and a limitation, suspension, or termination of your school’s eligibility to participate in the Campus-Based Programs. In addition, through the signature process, the President/CEO has certified that information in the FISAP is true and accurate and in compliance with legislation and regulations. Providing false and misleading information can result in fines, prison, or both.

- **Updated Financial Aid Administrator (FAA) Contact Information Required** – All Campus-Based notifications are sent via email to the FAA. For timely receipt of these notifications, it is important that a school ensures the accuracy of its FAA contact information, including the FAA email address. A school can update its contact information when submitting the FISAP or by selecting “School Information” then “Demographics” on the Campus-Based section of the [COD website](#). All changes or corrections to contact information must also be updated in the Program Participation Agreement using the [E-App website](#).
- **Accuracy Helps Avoid Negative Balances** – Make sure the information reported for expenditures of 2021–22 award amounts are accurate and consistent with the amounts drawn in G5. For example, if a school's FWS authorized amount was \$50,000 and the school reported an expended amount of \$40,000 on the FISAP (Part V, Section E, Field 18), the school's award will be closed out at the expended amount of \$40,000 (i.e. the \$10,000 difference will be deobligated from G5). If the amount the school has drawn from G5 is different from the expended amount reported on the FISAP, we will assume that the correct expenditures are the amounts reported on the FISAP and certified by the Chief Executive Officer in Part I, Section B. In some cases, this results in a negative balance which is required to be returned by the school to the Department. Using the above example, if the school drew down its entire \$50,000 FWS authorization from G5, it would need to return \$10,000.
- **Edit Corrections through Dec. 15, 2022** – Once a FISAP is submitted, the school can submit corrections until 11:59 p.m. ET on Dec. 15, 2022. Data can be entered and saved as a school makes corrections. If corrections are made, remember to **submit** them. Edits to the FISAP will exist as a draft only until they are submitted. Transmissions must be completed prior to midnight. **Note:** After the Dec. 15, 2022, deadline for submitting corrections, approval of FISAP change requests is reserved for exceptional issues only.
- **Online Help is Available 24/7** – If additional help is needed, the [COD website](#) has several documents that can be accessed online as well as a series of frequently asked questions and answers (Q&As).

[2023-24 FISAP Desk Reference](#)

[2023-24 FISAP Instructions](#)

[Q&As](#)

\*\*Please note if you are a DJA Client we take care of this for you and are already diligently working on all FISAP’s. If you have a specific question on your FISAP, please reach out to Deborah John at [djohn@gotodja.com](mailto:djohn@gotodja.com).



## **REMINDER: INSTITUTIONS MUST COMPLETE THE TRANSITION TO THE UNIQUE ENTITY IDENTIFIER (UEI)**

Federal Student Aid published an Electronic Announcement early last month reminding institutions of the change made on April 4, 2022, when the General Services Administration (GSA) began using the Unique Entity Identifier (UEI) as the authoritative identifier for all entities doing business with the federal government and discontinued using the Data Universal Numbering System (DUNS) Number. The DUNS Number is no longer valid for federal award identification. As of that date, the U.S. Department of Education (Department) has also adopted the UEI for all of its systems.

Each institution that had an “active” registration status in the GSA’s [System for Award Management \(SAM\) website](#) (SAM.gov) automatically received a UEI that was shared across the Department’s systems, as described in a [February 28, 2022 Electronic Announcement](#). Other institutions have subsequently registered and the assigned UEI has been shared. However, some institutions still do not have a UEI and/or an “active” registration status and are therefore unable to access critical Department systems. These institutions must complete the entity registration process in [SAM.gov](#) as soon as possible in order to obtain an active registration status and a UEI if needed, and to regain access to the Department’s systems for drawing down and reporting disbursements of Title IV, HEA funds.

This announcement describes the process for registering, obtaining a UEI, and reporting the UEI to the Department, and provides helpful tips for schools experiencing challenges with this process; explains the consequences of failing to complete the UEI transition and when a school might need multiple UEIs; reminds schools about the annual renewal process for entity registration; and reminds the community that obtaining a UEI is free and does not require the services of an outside party.

### **Entity Registration and UEI Assignment Process**

Institutions that have not yet completed the transition from a DUNS number to a UEI in the Department’s system should take the following steps.

First, determine if your institution has been assigned a UEI. If your institution is currently registered in [SAM.gov](#) with either an active or inactive registration, or has signed up to receive a UEI, you have already been assigned a UEI. Your UEI is viewable on your entity’s workspace in SAM.gov. To learn how to view your UEI, see: [How Can I View my Unique Entity ID?](#) If your institution has not been assigned a UEI, you will need to register your entity. You can access instructions addressing how to complete your entity registration at: [Get Started](#). If your institution has been assigned a UEI, you will need to check the status of your registration:

- If your SAM.gov registration status is showing as “Active Registration,” you will need to verify that the address on file with SAM.gov matches the address provided to the Department on the [Application for Approval to Participate in Federal Student Financial Aid Programs](#) (E-App), and/or that the Employer Identification number (EIN) on file with SAM.gov matches the Taxpayer Identification Number (TIN) reported on the E-App.



- If your SAM.gov registration status is showing as “Inactive Registration,” you have been assigned a UEI, but you will need to renew your registration. You can access instructions addressing how to renew your entity registration at: [How to Renew or Update an Entity](#).
- If your SAM.gov registration status is showing as “ID Assigned,” you have been assigned a UEI, but you will need to complete the entity registration process. You can access instructions addressing how to complete your entity registration at: [Get Started](#).

If you need to register or renew your entity registration, you will be required to complete the entity validation process. To complete this process, you must attach acceptable documents that prove your institution’s legal business name, physical address, date of incorporation, state of incorporation (for domestic institutions) or national identifier (for foreign institutions). More information about the appropriate documentation to attach can be found [here](#).

Please review the information at the above link carefully, as the GSA has found that most challenges in completing the UEI transition process occur during the validation phase. For example, some institutions found they could not complete validation because they did not provide a correct year of incorporation, provided an outdated address, or failed to include “LLC” at the end of their legal business names. In addition, you will need to make sure that the address on file with SAM.gov matches the address provided to the Department on the E-App, and/or that the EIN on file with SAM.gov matches the TIN reported on the E-App.

Upon verification that your institution has an active registration with an address and/or EIN in SAM.gov that matches the information reported on the E-App, you will need to report the institution’s UEI to FSA by email to the School Participation Division responsible for your institution. You can find the email addresses for the School Participation Divisions on the E-App web site [here](#). Include with your notification screen shots from SAM.gov showing the registration status, address, and EIN.

The GSA provides additional information on the process for transitioning from a DUNS number to a UEI [here](#). The Federal Service Desk also provides a series of helpful [questions and answers](#) about the entity validation process.

### **Annual Renewal of Registration**

Note that while the UEI number will never expire, entity registrations do. Institutions must renew their registration annually in [SAM.gov](#) and can find their registration expiration date on the entity record in [SAM.gov](#). The UEI transition process does not change your institution’s normal registration renewal cycle. Therefore, you may receive a notification that your registration renewal will begin soon after the UEI transition.

### **Consequences of Failing to Complete the UEI Transition Process**

When the School Participation Division receives notification from the institution of the active registration status and assigned UEI, that information is shared with the Department’s systems used in processing Title IV funding. Failing to maintain an active registration will cause an institution to lose access to critical Department systems for drawing down and reporting disbursements of Title IV aid and other Department of Education or federal grants.



## Grants Management System (G5)

Any school that does not have a UEI in G5 cannot draw funds from or return funds to the Department through G5 until that school completes the registration process, receives a UEI, and reports the UEI to the Department.

## Common Origination and Disbursement (COD) System

The Common Origination and Disbursement (COD) System will accept Pell Grant, Iraq and Afghanistan Service Grant, TEACH Grant, and Direct Loan records. However, if a school does not have a UEI in the COD System, the COD System will reject the record (for all award types) with Reject Edit 996; the edit will be returned on the <RoutingID> tag. For more information about COD System changes for the UEI, refer to the Department's [March 18, 2022 Electronic Announcement](#).

Institutions may have separate UEIs for different federal programs and should ensure that they have completed the transition process for all their UEIs, including those associated with Department systems for drawing down and reporting disbursements of Title IV aid.

Institutions may also need separate UEIs for approved additional locations if Direct Loan Program funds will be disbursed using the location identifiers. If a UEI is needed for an additional location, the institution must follow the same process as above for Entity Registration and UEI Assignment.

## No Cost to Obtain a UEI

[SAM.gov](#) is the official free, government-operated website for the management of government awards. There is NO charge to register or maintain your entity information in [SAM.gov](#).

The Department has become aware that private companies have charged institutions to assist with the completion the registration process for institutions, and some charge an annual fee to ensure that an institution's UEI is correctly maintained. The Department is not affiliated with and does not endorse such companies.

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2022-08-05/reminder-2-institutions-must-complete-transition-unique-entity-identifier-uei>

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## COMPLIANCE CORNER

### REMINDER: REVISED SAFEGUARDS RULE REGULATIONS EFFECTIVE 12/9/2022

The Revised FTC Safeguards Rule was passed last year on December 9, 2021. Many provisions went into effect within 30 days of its passing. The provisions that went into effect January 10, 2022 were in line with previous interpretations of the Safeguards Rule and are as follows:



| Requirements effective 1/10/2022   | Citation              |
|--|-----------------------|
| Definitions  | 16 C.F.R. 314.2       |
| Develop a written information security program (WISP)  | 16 C.F.R. 314.3       |
| Regularly test or monitor the effectiveness of key controls to detect attacks or intrusions                        | 16 C.F.R. 314.4(d)(1) |
| Take reasonable steps to select and retain service providers capable of maintaining appropriate safeguards         | 16 C.F.R. 314.4(f)(1) |
| Require by contract that service providers implement appropriate safeguards  | 16 C.F.R. 314.4(f)(2) |
| Evaluate and adjust WISP as a result of testing, monitoring, changes to business arrangements, or risk assessments | 16 C.F.R. 314.4(g)    |
| Exemption for financial institutions maintaining customer information on fewer than 5,000 consumers                | 16 C.F.R. 314.6       |

- **Develop a written information security program (WISP)** This was a previous objective and one that was added to the Audit guide in 2019.
- **Regularly test or monitor the effectiveness of key controls to detect attacks or intrusions.** Previous guidance simply asked Institutions of Higher Education (IHEs) to evaluate and adjust information over time. New guidance requires regular testing to ensure effectiveness.
- **Take reasonable steps to select and maintain service providers capable of maintaining appropriate safeguards.** Whereas the rule required oversight to service providers- it did not elaborate. The new rule requires “reasonable” steps are taken. These might include, reference checks, a copy of the service provider’s WISP or if none exists copies of the safeguards, they have implemented to protect Controlled Unclassified Information (CUI)
- **Require by contract that service providers implement appropriate safeguards.** Whereas the rule required oversight to service providers- the new regulations require a contract that the service providers are implementing appropriate safeguards.
- **Evaluate and adjust WISP as a result of testing, monitoring, changes to business arrangements, or risk assessments.** Previous guidance instructed us to simply evaluate and adjust information security over time. The new rule requires that we utilize routine testing and monitoring as evaluation tools and make adjustments based on changes to business arrangements, as well as the results of these routine risk assessments
- **Exemption for financial institutions maintaining customer information on fewer than 5,000 consumers.** This exemption was not articulated previously.

There were several regulations that were given a year to implement and are to be effective by December 9, 2022. These requirements are as follows:

| Requirements effective 12/9/2022   | Citation              |
|--|-----------------------|
| Appointment of a Qualified Individual to oversee the program   | 16 C.F.R. 314.4(a)    |
| Risk assessment  | 16 C.F.R. 314.4(b)(1) |
| Design access control safeguards based on risk assessment  | 16 C.F.R. 314.4(c)(1) |
| Identify data, personnel, devices, systems and facilities to utilize in the information security program | 16 C.F.R. 314.4(c)(2) |
| Employ encryption  | 16 C.F.R. 314.4(c)(3) |
| Secure software development  | 16 C.F.R. 314.4(c)(4) |
| Multifactor authentication   | 16 C.F.R. 314.4(c)(5) |
| Secure disposal of customer information  | 16 C.F.R. 314.4(c)(6) |
| Change management process  | 16 C.F.R. 314.4(c)(7) |
| Monitor and log user activity  | 16 C.F.R. 314.4(c)(8) |
| Continuous monitoring or periodic penetration testing and vulnerability assessments                      | 16 C.F.R. 314.4(d)(2) |
| User training and qualified security personnel   | 16 C.F.R. 314.4(e)    |
| Oversee and assess risks from service providers  | 16 C.F.R. 314.4(f)(3) |
| Written incident response plan   | 16 C.F.R. 314.4(h)    |
| Reporting by Qualified Individual the board or equivalent governing body                                 | 16 C.F.R. 314.4(i)    |



- **Appointment of a Qualified Individual to oversee the program.** Previous verbiage just asked to appoint a contact.
- **Risk Assessment:** new guidance relates to the conduct of a written risk assessment and aligning with the NIST 800-170 standards.
- **Design access controls based on risk assessment:** A more defining standard
- **Identify data, personnel, devices, systems, and facilities to utilize in the information security program:** Aligns with the complete Risk Assessment to be conducted and utilizing tools that create safeguards around those risks.
- **Employ Encryption:** At rest and in transit over external networks.
- **Secure Software Development:** Any software developed must also meet the same standards- employ encryption, require multifactor authentication etc.
- **Secure Disposal of Customer Information:** Previously a recommended standard, now a definitive regulation.
- **Change Management Process:** A more defining standard
- **Monitor and Log User Activity:** Previously a recommended standard, now a definitive regulation
- **Continuous monitoring OR annual pen testing and biannual vulnerability assessments:** This will be a big change for many and one you will want to start researching solutions for now.
- **User Training and Qualified Security Personnel:** A team training component has always been a component of the recommendations for the WISP, now it will be a requirement for the Revised rule.
- **Oversee and assess risk from Service Providers:** Adding in standards for Service providers is a big component of the Revised Rule- from vetting them prior to hiring, to ensuring their own processes meet standards and now including them in your risk assessment.
- **Written incident response plan:** IHEs will need to articulate how they handle breaches and the manner in which they respond.
- **Reporting by the selected Qualified Individual over the WISP to a board or equivalent governing body:** The purpose here is to ensure a check and balance over the qualified individual.

<https://www.ecfr.gov/current/title-16/chapter-I/subchapter-C/part-314#314.2>

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## REMINDER: CONSTITUTION DAY - THURSDAY, SEPTEMBER 17, 2022

As we mentioned in last month's newsletter, Constitution Day is this month on September 17<sup>th</sup>. This day commemorates the September 17, 1787 signing of the United States Constitution. Educational institutions that receive federal funds are required to hold an educational program pertaining to the U.S. Constitution on September 17 of each year.



## DJA CALENDAR

**Monthly DJA Webinar:**     *Cash Management —Wednesday, September 14th at 11 a.m. CDT*

**NOTE:** There may be a difference between DJA local time and your time zone. To determine your time zone equivalent, click on this link to view a time zone map: <http://www.worldtimezone.com/time-usa12.php>

Webinars are free to clients. There is a \$45 fee for all others who may be interested in joining us for these presentations. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Renee Ford at [rford@gotodja.com](mailto:rford@gotodja.com). After registering, you will receive the log-in information. Questions can be directed to Renee by email or by calling toll free at 1-800-242-0977.

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## 2022 DJA MONTHLY WEBINAR SCHEDULE

|         |  |
|---------|--|
| SEPT 14 | Cash Management                            |
| OCT 6   | Enrollment Reporting Using NSLDS           |
| NOV 3   | Program Integrity (Audits, Program Review) |
| DEC 1   | 1098-T Reporting                           |

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## 2022 FEDERAL STUDENT AID (FSA) TRAINING CONFERENCE GOING VIRTUAL November 29- December 2, 2022

There will be keynote addresses from U.S. Department of Education leadership, five general sessions, one foreign school session, 22 breakout sessions (covering the latest in financial aid policy, COVID-19 related impacts, and operational updates), and a new full-day format for Exhibit Hall (formerly the Resource Center) information.

The 2022 Virtual Federal Student Aid Training Conference agendas and session descriptions are located on the [FSA Conferences](#) website. Registration will open in October 2022.

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*Disclaimer: The information presented in this Newsletter is provided as a service and represents our best efforts to assist institutions with federal student aid regulations. We have collected information we believe to be important in finding and obtaining the resources for administering federal student aid; however, we assume no liability for the use of this information. The information in this newsletter does not constitute, and should not be construed as, legal advice.*

